

CONTENT AREA

Leave Without Pay - Standard Life Insurance

ISSUE/QUESTION

An employee is on a Leave Without Pay (LWOP) and wishes to continue Standard dependent life insurance but not basic or supplemental life insurance. Is the employee eligible to make these changes?

ANSWER

Yes, the employee may continue dependent life insurance without continuing basic or supplemental life insurance.

RATIONALE/EXPLANATION

Dependent life insurance is not contingent upon either basic or supplemental life insurance and therefore, may be continued independent of basic or supplemental life insurance.

On the other hand, supplemental life insurance, by its very nature, is contingent upon basic life insurance. Therefore, if an employee wished to continue supplemental life insurance, the employee is required to continue basic life insurance as well.

AUTHORITY

United States Code Title 26 – Tax Treatment of Cafeteria Plans
Arizona Administrative Code R2-5-414 Leave Without Pay
Saguaro Program Policy

ISSUED

June 25, 2003